



Amy G. Rabinowitz
Counsel

December 17, 2003

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: D.T.E. 03-123

Dear Secretary Cottrell:

I am enclosing responses to the Department's First Set of Information Requests in the above-captioned docket. Thank you very much for your time and attention to this matter.

Very truly yours,

Amy G. Rabinowitz

cc: Service List

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Data Request DTE 1-1

Request:

Refer to Filing at Att. 2. The Company provides three estimates of standard offer service deferrals that would exist as of December 31, 2004 using three different projections for future oil and gas prices (these estimates used future price data from the last week of August, the last week of September, and the second week of October). Please identify the source of information for the oil and gas futures price data used in Attachment 2.

Response:

For each of the three estimated deferral balances at December 31, 2004 as shown on Attachment 2 to the Company's filing, the source of the future prices for oil is the daily settlement prices for the Light Sweet Crude Oil petroleum future contract as reported in the Wall Street Journal. The source of the future gas prices is the daily settlement prices for the NYMEX Contract as reported in the Wall Street Journal. The NYMEX Contract is the New York Mercantile Exchange Natural Gas Futures Contract as approved by the Commodity Futures Trading Commission for the purchase and sale of natural gas at Henry Hub.

Prepared by or under the supervision of: Michael J. Hager

Massachusetts Electric Company
Nantucket Electric Company
Docket No. D.T.E. 03-123
Responses to Department's First Set of Information Requests

Data Request DTE 1-2

Request:

Please provide an estimate of the deferral that would exist as of December 31, 2004 using the most recently-available oil and gas futures price data. Indicate the source of data for this information request, if different from the source identified in information request DTE 1-1.

Response:

Using the same sources as those identified in the Company's response to data request DTE 1-1, the Company obtained the projection of prices for fuel oil and natural gas for December 11, 2003, December 12, 2003 and December 15, 2003. Based upon the price data from these three days, the deferral estimate as of December 31, 2004 would be approximately \$37.2 million. Please refer to the attachment to this response for the calculation of this estimate.

Prepared by or under the supervision of: Michael J. Hager and Theresa M. Burns

Attachment to DTE 1-2

Estimate of Standard Offer Deferral as of December 31, 2004
Based on
Proposed SOSFA of 1.424¢
And
Oil and Gas Price Forecasts from the Trading Days of
December 11, 12, and 15, 2003

Massachusetts Electric Company
Nantucket Electric Company
Estimated Standard Service Reconciliation
October 2002 - December 2004

Month	Over/(Under) Beginning Balance (a)	Standard Service Revenue (b)	Standard Service Adjustment (c)	Standard Service Expense (d)	Monthly Over/(Under) (e)	Over/(Under) Ending Balance (f)	Balance Subject to Interest (g)	Interest Rate (h)	Interest (i)	Cumulative Interest (j)
Section 1: October 2002 - September 2003 Period										
Oct-02	\$0	\$15,300,347		\$43,527,778	(\$28,227,431)	(\$28,227,431)	(\$14,113,716)	3.83%	(\$44,274)	(\$44,274)
Nov-02	(\$28,271,706)	\$43,898,047	\$339,915	\$46,066,642	(\$1,828,680)	(\$30,100,386)	(\$29,186,046)	3.83%	(\$91,556)	(\$135,830)
Dec-02	(\$30,191,942)	\$50,204,336		\$54,962,313	(\$4,757,977)	(\$34,949,919)	(\$32,570,930)	3.83%	(\$102,174)	(\$238,004)
Jan-03	(\$35,052,093)	\$28,151,616			\$28,151,616	(\$6,900,477)	(\$20,976,285)	2.64%	(\$45,599)	(\$283,603)
		\$137,554,346		\$144,556,733	(\$7,002,387)					
Estimated Cumulative Over/(Under) Collection of Standard Service through December 31, 2002						(\$6,946,075)				
Jan-03	(\$6,900,477)	\$28,151,616		\$58,976,744	(\$30,825,128)	(\$37,725,605)	(\$36,388,849)	2.64%	(\$79,103)	(\$317,107)
Feb-03	(\$37,804,708)	\$54,941,588		\$55,182,064	(\$240,476)	(\$38,045,184)	(\$37,924,946)	2.64%	(\$82,442)	(\$399,549)
Mar-03	(\$38,127,626)	\$50,730,414		\$59,709,649	(\$8,979,235)	(\$47,106,861)	(\$42,617,243)	2.64%	(\$92,642)	(\$492,191)
Apr-03	(\$47,199,503)	\$23,139,900			\$23,139,900	(\$24,059,603)	(\$35,629,553)	2.64%	(\$77,452)	(\$569,644)
		\$156,963,518		\$173,868,457	(\$16,904,939)					
Estimated Cumulative Over/(Under) Collection of Standard Service through March 31, 2003						(\$24,137,055)				
Apr-03	(\$24,059,603)	\$23,139,900		\$56,021,007	(\$32,881,107)	(\$56,940,710)	(\$52,070,107)	2.64%	(\$113,191)	(\$605,383)
May-03	(\$57,053,901)	\$46,217,400		\$54,761,431	(\$8,544,031)	(\$65,597,932)	(\$61,325,917)	2.64%	(\$133,312)	(\$738,694)
Jun-03	(\$65,731,244)	\$52,788,496		\$59,435,697	(\$6,647,201)	(\$72,378,445)	(\$69,054,845)	2.64%	(\$150,113)	(\$888,807)
Jul-03	(\$72,528,558)	\$31,079,610			\$31,079,610	(\$41,448,948)	(\$56,988,753)	2.64%	(\$123,883)	(\$1,012,690)
		\$153,225,406		\$170,218,136	(\$16,992,730)					
Estimated Cumulative Over/(Under) Collection of Standard Service through June 30, 2003						(\$41,572,831)				
Jul-03	(\$41,448,948)	\$31,079,610		\$74,003,668	(\$42,924,058)	(\$84,373,007)	(\$78,450,782)	2.64%	(\$170,538)	(\$1,059,345)
Aug-03	(\$84,543,545)	\$65,298,250		\$76,815,457	(\$11,517,207)	(\$96,060,751)	(\$90,302,148)	2.64%	(\$196,301)	(\$1,255,645)
Sep-03	(\$96,257,052)	\$63,909,057		\$60,692,381	\$3,216,676	(\$93,040,376)	(\$94,648,714)	2.64%	(\$205,749)	(\$1,461,395)
Oct-03	(\$93,246,125)	\$35,896,364			\$35,896,364	(\$57,349,761)	(\$75,297,943)	2.64%	(\$163,684)	(\$1,625,079)
		\$196,183,281		\$211,511,506	(\$15,328,225)					
Cumulative Over/(Under) Collection of Standard Service through September 30, 2003						(\$57,513,445)				

- (a) Prior Month Column (f) + Prior Month Column (i)
(b) Page 3
(c) Nov-02: Adjustment to general ledger to reflect a correction to a customer account who had been billed on Default Service instead of Standard Offer
(d) Page 4
(e) Column (b) + Column (c) - Column (d)
(f) Column (a) + Column (e)
(g) [Column (a) + Column (f)] ÷ 2
(h) Interest Rate on Customer Deposits
(i) Column (g) x [(1 + Column (h)) ^ (1 ÷ 12) - 1]
(j) Column (i) + Prior Month Column (i)

Massachusetts Electric Company
Nantucket Electric Company
Estimated Standard Service Reconciliation
October 2002 - December 2004

Month	Over/(Under) Beginning Balance (a)	Standard Service Revenue (b)	Standard Service Adjustment (c)	Standard Service Expense (d)	Monthly Over/(Under) (e)	Over/(Under) Ending Balance (f)	Balance Subject to Interest (g)	Interest Rate (h)	Interest (i)	Cumulative Interest (j)
Section 2: October 2003 - September 2004 Period										
Oct-03	(\$57,349,761)	\$22,568,417		\$59,353,674	(\$36,785,257)	(\$94,135,018)	(\$93,690,572)	2.64%	(\$202,700)	(\$1,664,095)
Nov-03	(\$94,337,719)	\$55,707,146		\$61,240,864	(\$5,533,718)	(\$99,871,437)	(\$97,104,578)	2.64%	(\$211,088)	(\$1,875,183)
Dec-03	(\$100,082,525)	\$64,015,848		\$66,566,447	(\$2,550,599)	(\$102,633,123)	(\$101,357,824)	2.64%	(\$220,334)	(\$2,095,517)
Jan-04	(\$102,853,457)	\$36,103,028			\$36,103,028	(\$66,750,429)	(\$84,801,943)	2.64%	(\$184,344)	(\$2,279,861)
		\$178,394,439		\$187,160,985	(\$8,766,546)					
Estimated Cumulative Over/(Under) Collection of Standard Service through December 31, 2003						(\$66,934,773)				
Jan-04	(\$66,750,429)	\$36,103,028		\$72,491,501	(\$36,388,473)	(\$103,138,902)	(\$102,996,179)	2.64%	(\$223,895)	(\$2,319,412)
Feb-04	(\$103,362,797)	\$68,871,005		\$67,350,860	\$1,520,145	(\$101,842,652)	(\$102,602,724)	2.64%	(\$223,040)	(\$2,542,452)
Mar-04	(\$102,065,692)	\$66,490,675		\$63,820,449	\$2,670,226	(\$99,395,466)	(\$100,730,579)	2.64%	(\$218,970)	(\$2,761,422)
Apr-04	(\$99,614,436)	\$30,879,308			\$30,879,308	(\$68,735,128)	(\$84,174,782)	2.64%	(\$182,981)	(\$2,944,403)
		\$202,344,015		\$203,662,809	(\$1,318,794)					
Estimated Cumulative Over/(Under) Collection of Standard Service through March 31, 2004						(\$68,918,109)				
Apr-04	(\$68,735,128)	\$30,879,308		\$59,789,610	(\$28,910,302)	(\$97,645,430)	(\$98,629,933)	2.64%	(\$214,404)	(\$2,975,826)
May-04	(\$97,859,834)	\$58,542,756		\$56,801,907	\$1,740,848	(\$96,118,986)	(\$96,989,410)	2.64%	(\$210,838)	(\$3,186,663)
Jun-04	(\$96,329,823)	\$61,451,808		\$59,304,197	\$2,147,611	(\$94,182,213)	(\$95,256,018)	2.64%	(\$207,069)	(\$3,393,733)
Jul-04	(\$94,389,282)	\$33,608,266			\$33,608,266	(\$60,781,016)	(\$77,585,149)	2.64%	(\$168,656)	(\$3,562,389)
		\$184,482,137		\$175,895,714	\$8,586,423					
Estimated Cumulative Over/(Under) Collection of Standard Service through June 30, 2004						(\$60,949,672)				
Jul-04	(\$60,781,016)	\$33,608,266		\$64,424,429	(\$30,816,163)	(\$91,597,179)	(\$92,993,231)	2.64%	(\$202,151)	(\$3,595,884)
Aug-04	(\$91,799,330)	\$69,862,356		\$66,532,007	\$3,330,348	(\$88,468,981)	(\$90,134,155)	2.64%	(\$195,935)	(\$3,791,819)
Sep-04	(\$88,664,917)	\$68,250,964		\$64,641,739	\$3,609,225	(\$85,055,692)	(\$86,860,304)	2.64%	(\$188,819)	(\$3,980,638)
Oct-04	(\$85,244,511)	\$30,938,581			\$30,938,581	(\$54,305,930)	(\$69,775,220)	2.64%	(\$151,679)	(\$4,132,317)
		\$202,660,166		\$195,598,175	\$7,061,991					
Cumulative Over/(Under) Collection of Standard Service through September 30, 2004						(\$54,457,609)				
Oct-04	(\$54,305,930)	\$30,938,581		\$58,424,787	(\$27,486,207)	(\$81,792,137)	(\$83,518,324)	2.64%	(\$181,554)	(\$4,162,192)
Nov-04	(\$81,973,691)	\$63,919,073		\$60,401,760	\$3,517,313	(\$78,456,378)	(\$80,215,034)	2.64%	(\$174,373)	(\$4,336,565)
Dec-04	(\$78,630,751)	\$69,166,085		\$65,222,219	\$3,943,866	(\$74,686,885)	(\$76,658,818)	2.64%	(\$166,643)	(\$4,503,207)
Jan-05	(\$74,853,527)	\$37,732,593			\$37,732,593	(\$37,120,934)	(\$55,987,231)	2.64%	(\$121,706)	(\$4,624,913)
		\$201,756,331		\$184,048,766	\$17,707,565					
Cumulative Over/(Under) Collection of Standard Service through December 31, 2004						(\$37,242,641)				

- (a) Prior Month Column (f) + Prior Month Column (i)
(b) Page 3
(c)
(d) Page 4
(e) Column (b) + Column (c) - Column (d)
(f) Column (a) + Column (e)
(g) [Column (a) + Column (f)] ÷ 2
(h) Interest Rate on Customer Deposits
(i) Column (g) x [(1 + Column (h)) ^ (1 + 12) - 1]
(j) Column (i) + Prior Month Column (i)

Massachusetts Electric Company
Nantucket Electric Company
Estimated Standard Service Revenue

	Total Company Forecasted kWh Deliveries (a)	Percentage of Load Served by Standard Service (b)	Estimated Standard Service kWhs (c)	Base Standard Service Rate (d)	Estimated SOSFA (e)	Estimated SOSFA (f)	Estimated Standard Service Revenue (g)
Section 1: <u>October 2002 - September 2003 Period</u>							
Oct-02 (actual based on revenue prorate)							\$15,300,347
Nov-02 (actual)							\$43,898,047
Dec-02 (actual)							\$50,204,336
Jan-03 (actual)							\$56,303,232
Feb-03 (actual)							\$54,941,588
Mar-03 (actual)							\$50,730,414
Apr-03 (actual)							\$46,279,800
May-03 (actual)							\$46,217,400
Jun-03 (actual)							\$52,788,496
Jul-03 (actual)							\$62,159,220
Aug-03 (actual)							\$65,298,250
Sep-03 (actual)							\$63,909,057
Oct-03 (actual based on revenue prorate)							<u>\$35,896,364</u>
Total							\$643,926,551
Section 2: <u>October 2003 - September 2004 Period</u>							
Oct-03 (actual based on revenue prorate)							\$22,568,417
Nov-03 (actual)				\$0.04700	\$0.01424		\$55,707,146
Dec-03	1,891,344,036	55.27%	1,045,327,368	\$0.04700	\$0.01424		\$64,015,848
Jan-04	2,065,855,670	55.27%	1,141,778,243	\$0.05100	\$0.01424	\$0.00000	\$72,206,056
Feb-04	1,910,032,155	55.27%	1,055,656,109	\$0.05100	\$0.01424	\$0.00000	\$68,871,005
Mar-04	1,844,017,346	55.27%	1,019,170,369	\$0.05100	\$0.01424	\$0.00000	\$66,490,675
Apr-04	1,712,780,906	55.27%	946,637,271	\$0.05100	\$0.01424	\$0.00000	\$61,758,616
May-04	1,623,593,939	55.27%	897,344,506	\$0.05100	\$0.01424	\$0.00000	\$58,542,756
Jun-04	1,704,272,054	55.27%	941,934,512	\$0.05100	\$0.01424	\$0.00000	\$61,451,808
Jul-04	1,864,147,878	55.27%	1,030,296,318	\$0.05100	\$0.01424	\$0.00000	\$67,216,532
Aug-04	1,937,525,769	55.27%	1,070,851,561	\$0.05100	\$0.01424	\$0.00000	\$69,862,356
Sep-04	1,892,836,275	55.27%	1,046,152,114	\$0.05100	\$0.01424	\$0.00000	\$68,250,964
Oct-04	858,034,292	55.27%	474,227,169	\$0.05100	\$0.01424	\$0.00000	<u>\$30,938,581</u>
Total							\$767,880,757
Oct-04	858,034,292	55.27%	474,227,169	\$0.05100	\$0.01424	\$0.00000	\$30,938,581
Nov-04	1,772,697,880	55.27%	979,752,797	\$0.05100	\$0.01424	\$0.00000	\$63,919,073
Dec-04	1,918,215,763	55.27%	1,060,179,109	\$0.05100	\$0.01424	\$0.00000	\$69,166,085
Jan-05	1,046,455,859	55.27%	578,365,928	\$0.05100	\$0.01424	\$0.00000	\$37,732,593

- (a) Per Company forecast
- (b) Percentage of kWh deliveries attributable to standard offer per November 2003 DOER Form 110, Mass. Electric and Nantucket Electric.
- (c) Column (a) x Column (b)
- (d) Page 5
- (e) Hypothetical SOSFA per DTE formula
- (f) The Company did not proposed a Standard Offer Adjustment Factor for 2004
- (g) Column (c) x Column (d) + Column (c) x Column (e), using a 50% prorate to capture rate changes

Massachusetts Electric Company
Nantucket Electric Company
Estimated Standard Service Expense

	Total Company Forecasted kWh Deliveries (a)	Percentage of Load Served by Standard Service (b)	Estimated Standard Service kWhs (c)	Base Standard Service Cost (d)	Estimated Fuel Index Cost (e)	Estimated Standard Service Expense (f)
Section 1: October 2002 - September 2003 Period						
Oct-02 (actual)						\$43,527,778
Nov-02 (actual)						\$46,066,642
Dec-02 (actual)						\$54,962,313
Jan-03 (actual)						\$58,976,744
Feb-03 (actual)						\$55,182,064
Mar-03 (actual)						\$59,709,649
Apr-03 (actual)						\$56,021,007
May-03 (actual)						\$54,761,431
Jun-03 (actual)						\$59,435,697
Jul-03 (actual)						\$74,003,668
Aug-03 (actual)						\$76,815,457
Sep-03 (actual)						\$60,692,381
Total						\$700,154,832

Section 2: October 2003 - September 2004 Period

Oct-03 (actual)						\$59,353,674
Nov-03	1,747,437,972	55.27%	965,791,893	\$0.04700	\$0.01641	\$61,240,864
Dec-03	1,891,344,036	55.27%	1,045,327,368	\$0.04700	\$0.01668	\$66,566,447
Jan-04	2,065,855,670	55.27%	1,141,778,243	\$0.05100	\$0.01249	\$72,491,501
Feb-04	1,910,032,155	55.27%	1,055,656,109	\$0.05100	\$0.01280	\$67,350,860
Mar-04	1,844,017,346	55.27%	1,019,170,369	\$0.05100	\$0.01162	\$63,820,449
Apr-04	1,712,780,906	55.27%	946,637,271	\$0.05100	\$0.01216	\$59,789,610
May-04	1,623,593,939	55.27%	897,344,506	\$0.05100	\$0.01230	\$56,801,907
Jun-04	1,704,272,054	55.27%	941,934,512	\$0.05100	\$0.01196	\$59,304,197
Jul-04	1,864,147,878	55.27%	1,030,296,318	\$0.05100	\$0.01153	\$64,424,429
Aug-04	1,937,525,769	55.27%	1,070,851,561	\$0.05100	\$0.01113	\$66,532,007
Sep-04	1,892,836,275	55.27%	1,046,152,114	\$0.05100	\$0.01079	\$64,641,739
Total						\$762,317,683
Oct-04	1,716,068,583	55.27%	948,454,338	\$0.05100	\$0.01060	\$58,424,787
Nov-04	1,772,697,880	55.27%	979,752,797	\$0.05100	\$0.01065	\$60,401,760
Dec-04	1,918,215,763	55.27%	1,060,179,109	\$0.05100	\$0.01052	\$65,222,219

- (a) Per Company forecast
- (b) Percentage of kWh deliveries attributable to standard offer per November 2003 DOER Form 110, Mass. Electric and Nantucket Electric.
- (c) Column (a) x Column (b)
- (d) Fixed standard offer price
- (e) Page 6
- (f) Column (c) x [Column (d) + Column (e)]

17-Dec-03

Massachusetts Electric Company

Nantucket Electric Company

Docket No. D.T.E. 03-123

DTE 1-2, Attachment

Page 5 of 6

Massachusetts Electric Company
Nantucket Electric Company
Estimated Weighted Average Fuel Index Payment Per kWh

<u>Estimated Fuel Index Payments</u>			<u>Percentage of kWh Deliveries</u>		Estimated
Former NEES <u>Contracts</u> (a)	Former EUA <u>Contracts</u> (b)		Former Mass. <u>Electric</u> (c)	Former Eastern <u>Edison</u> (d)	Weighted Avg. Fuel <u>Index</u> (e)
<u>October 2003 - September 2004 Period</u>					
Nov-03	\$0.01683	\$0.01401	85.12%	14.88%	\$0.01641
Dec-03	\$0.01726	\$0.01339	85.12%	14.88%	\$0.01668
Jan-04	\$0.01327	\$0.00803	85.12%	14.88%	\$0.01249
Feb-04	\$0.01339	\$0.00943	85.12%	14.88%	\$0.01280
Mar-04	\$0.01162	\$0.01162	85.12%	14.88%	\$0.01162
Apr-04	\$0.01193	\$0.01351	85.12%	14.88%	\$0.01216
May-04	\$0.01193	\$0.01442	85.12%	14.88%	\$0.01230
Jun-04	\$0.01144	\$0.01497	85.12%	14.88%	\$0.01196
Jul-04	\$0.01095	\$0.01485	85.12%	14.88%	\$0.01153
Aug-04	\$0.01089	\$0.01254	85.12%	14.88%	\$0.01113
Sep-04	\$0.01089	\$0.01022	85.12%	14.88%	\$0.01079
Total					
Oct-04	\$0.01102	\$0.00822	85.12%	14.88%	\$0.01060
Nov-04	\$0.01120	\$0.00755	85.12%	14.88%	\$0.01065
Dec-04	\$0.01108	\$0.00736	85.12%	14.88%	\$0.01052

- (a) Per Company forecast, based on trading days of December 11, 12, 15, 2003
- (b) Per Company forecast, based on trading days of December 11, 12, 15, 2003
- (c) Percentage of kWh deliveries attributable to pre-merger Mass. Electric standard offer per November 2003 revenue reports
- (d) Percentage of kWh deliveries attributable to pre-merger Eastern Edison standard offer per November 2003 revenue reports
- (e) Column (a) x Column (c) + Column (b) x Column (d)

Massachusetts Electric Company
Nantucket Electric Company
Actual and Estimated Standard Service Costs
October 2002 - September 2004

		Fuel Index Payments				
	Base Charges	Former Eastern Edison	Pre-Merger Mass. Electric	Total	Supplier Reallocations	Total
<u>Actual per Invoices (a)</u>						
October 2002	\$42,801,869	\$901,142	\$1,300,688	\$2,201,829	(\$1,475,920)	\$43,527,778
November 2002	\$43,363,310	\$1,039,803	\$2,360,656	\$3,400,459	(\$697,127)	\$46,066,642
December 2002	<u>\$49,171,245</u>	<u>\$1,334,149</u>	<u>\$4,360,112</u>	<u>\$5,694,261</u>	<u>\$96,808</u>	<u>\$54,962,313</u>
2002 Total	\$135,336,424	\$3,275,093	\$8,021,455	\$11,296,549	(\$2,076,239)	\$144,556,733
<u>Actual per Invoices (a)</u>						
January 2003	\$56,199,227	\$623,113	\$1,059,747	\$1,682,859	\$1,094,658	\$58,976,744
February 2003	\$49,372,195	\$4,023,940	\$1,011,298	\$5,035,238	\$774,630	\$55,182,064
March 2003	\$49,487,707	\$1,643,750	\$8,179,924	\$9,823,674	\$398,268	\$59,709,649
April 2003	\$44,728,593	\$2,438,210	\$8,192,605	\$10,630,815	\$661,599	\$56,021,007
May 2003	\$42,913,034	\$2,545,055	\$8,734,319	\$11,279,374	\$569,023	\$54,761,431
June 2003	\$45,329,014	\$3,027,925	\$10,746,300	\$13,774,226	\$332,458	\$59,435,697
July 2003	\$55,745,963	\$4,021,689	\$14,236,017	\$18,257,706		\$74,003,668
August 2003	\$57,000,155	\$4,183,406	\$15,631,895	\$19,815,301		\$76,815,457
September 2003	\$44,868,806	\$2,868,078	\$12,955,497	\$15,823,576		\$60,692,381
October 2003	\$44,240,927	\$1,981,104	\$13,131,642	\$15,112,747		\$59,353,674
<u>Estimate per Page 4 (b)</u>						
November 2003	\$45,392,219			\$15,848,645		\$61,240,864
December 2003	<u>\$49,130,386</u>			<u>\$17,436,061</u>		<u>\$66,566,447</u>
2003 Total	\$584,408,227	\$27,356,272	\$93,879,244	\$154,520,221	\$3,830,636	\$742,759,084
January 2004	\$58,230,690			\$14,260,810		\$72,491,501
February 2004	\$53,838,462			\$13,512,398		\$67,350,860
March 2004	\$51,977,689			\$11,842,760		\$63,820,449
April 2004	\$48,278,501			\$11,511,109		\$59,789,610
May 2004	\$45,764,570			\$11,037,337		\$56,801,907
June 2004	\$48,038,660			\$11,265,537		\$59,304,197
July 2004	\$52,545,112			\$11,879,317		\$64,424,429
August 2004	\$54,613,430			\$11,918,578		\$66,532,007
September 2004	\$53,353,758			\$11,287,981		\$64,641,739
October 2004	\$48,371,171			\$10,053,616		\$58,424,787
November 2004	\$49,967,393			\$10,434,367		\$60,401,760
December 2004	<u>\$54,069,135</u>			<u>\$11,153,084</u>		<u>\$65,222,219</u>
2004 Total	\$619,048,570	\$0	\$0	\$140,156,895		\$759,205,464

(a) Per invoices received from standard offer suppliers for service supplied in applicable month.

(b) Per Page 4 of analysis:

Base Charges = Column (c) x Column (d)

Fuel Index Payments = Column (c) x Column (e)

Massachusetts Electric Company
Nantucket Electric Company
Docket No. D.T.E. 03-123
Responses to Department's First Set of Information Requests

Data Request DTE 1-3

Request:

Please calculate the standard offer service fuel adjustment ("SOSFA") that would take effect on January 1, 2004, based on data as of November 30, 2003, and consistent with the method approved by the Department in Standard Offer Fuel Adjustments, D.T.E. 00-66, 00-67, and 00-70 (2000).

Response:

Consistent with the prior manner in which the SOSFA has been calculated for a January effective date, and using data as of the end of November 2003, the Company has calculated a SOSFA of 1.223¢ per kWh. The calculation is attached to this response, along with the data supporting the calculation.

Prepared by or under the supervision of: Michael J. Hager

Attachment to DTE 1-3

Calculation of SOSFA for January 1, 2004
Based on
Calculation from DTE 00-67

**Massachusetts Electric and Nantucket Electric
SOSFA Surcharge
(effective January 1, 2004)**

(1) Adjustment Value	1.23982
(2) 2004 Stipulated Price (¢/kWh)	5.100
(3) Total Standard Offer Rate (¢/kWh)	6.323
(4) 2004 Stipulated Price (¢/kWh)	5.100
(5) SOSFA Surcharge (¢/kWh)	1.223

Notes:

- (1) November 2003 Fuel Adjustment Value (page 2., Col. F - Determination of Fuel Adjustment Value)
- (2) From SOSFA provisions in settlement agreement and supply contracts
- (3) Total Standard Offer Rate = Line (1) * Line (2), truncated to 3 decimal places
- (5) SOSFA Surcharge = Line (3) - Line (4)

Massachusetts Electric and Nantucket Electric

DETERMINATION OF FUEL ADJUSTMENT VALUE AND SOSFA SURCHARGE

(Col. A)	(Col. B)	(Col. C)	(Col. D)	(Col. E)	(Col. F)	(Col. G)	(Col. H)	(Col. I)
SOS Delivery Month	NGrid's Market Gas Price	NGrid's Market Oil Price	NGrid's Fuel Value	NGrid's Fuel Trigger	NGrid's Adjustment Value	2004 Stipulated Price	Standard Offer Rate	SOSFA Surcharge
Jan-02	\$3.8002	\$3.1422	\$6.9424	\$7.74	1.00000	5.10	5.100	0.000
Feb-02	\$3.3872	\$3.0297	\$6.4169	\$7.74	1.00000	5.10	5.100	0.000
Mar-02	\$3.1614	\$2.9784	\$6.1398	\$7.74	1.00000	5.10	5.100	0.000
Apr-02	\$2.9928	\$2.9703	\$5.9631	\$7.74	1.00000	5.10	5.100	0.000
May-02	\$2.8548	\$2.9724	\$5.8273	\$7.74	1.00000	5.10	5.100	0.000
Jun-02	\$2.8071	\$3.0028	\$5.8099	\$7.74	1.00000	5.10	5.100	0.000
Jul-02	\$2.8108	\$3.0449	\$5.8557	\$7.74	1.00000	5.10	5.100	0.000
Aug-02	\$2.7898	\$3.1128	\$5.9025	\$7.74	1.00000	5.10	5.100	0.000
Sep-02	\$2.8768	\$3.1908	\$6.0676	\$7.74	1.00000	5.10	5.100	0.000
Oct-02	\$3.0228	\$3.3022	\$6.3251	\$7.74	1.00000	5.10	5.100	0.000
Nov-02	\$3.1103	\$3.4052	\$6.5155	\$7.74	1.00000	5.10	5.100	0.000
Dec-02	\$3.2504	\$3.5392	\$6.7896	\$7.74	1.00000	5.10	5.100	0.000
Jan-03	\$3.4375	\$3.7437	\$7.1812	\$7.74	1.00000	5.10	5.100	0.000
Feb-03	\$3.7305	\$4.0107	\$7.7412	\$7.74	1.00015	5.10	5.101	0.001
Mar-03	\$4.3056	\$4.1730	\$8.4786	\$7.74	1.08814	5.10	5.549	0.449
Apr-03	\$4.4463	\$4.1958	\$8.6421	\$7.74	1.10765	5.10	5.649	0.549
May-03	\$4.6154	\$4.2112	\$8.8266	\$7.74	1.12967	5.10	5.761	0.661
Jun-03	\$4.8354	\$4.2441	\$9.0794	\$7.74	1.15983	5.10	5.915	0.815
Jul-03	\$5.0184	\$4.3101	\$9.3285	\$7.74	1.18956	5.10	6.067	0.967
Aug-03	\$5.1652	\$4.3412	\$9.5063	\$7.74	1.21078	5.10	6.175	1.075
Sep-03	\$5.2946	\$4.3261	\$9.6207	\$7.74	1.22443	5.10	6.245	1.145
Oct-03	\$5.3679	\$4.3199	\$9.6877	\$7.74	1.23243	5.10	6.285	1.185
Nov-03	\$5.3992	\$4.3505	\$9.7497	\$7.74	1.23982	5.10	6.323	1.223

Notes:

Col. A - month in which SOS was delivered at wholesale

Col. B - Average of the values of Gas Index for the most recent 12 months. (page 3., Col. G - Determination of Market Gas Price)

Col. C - Average of the values of Oil Index for the most recent 12 months. (page 4., Col. LL - Determination of Market Oil Price)

Col. D - Col. B + Col. C

Col. E - Calendar Year 2004 values from the Standard Offer Supply Contracts. Actual value for Calendar Year 2003 was 7.01.

Col. F - if(Col. D > Col. E, (Col. B + \$0.60 + Col. C + \$0.04) / (Col. E + \$0.64), 1.000)

Col. G - Calendar Year 2003 rates from SOSFA provisions in settlement agreement and supply contracts. Actual value for Calendar Year 2002 was 4.20.

Col. H - Col. F * Col. G, rounded to 3 decimal places

Col. I - Col. H - Col. G

Massachusetts Electric and Nantucket Electric**DETERMINATION OF MARKET GAS PRICE**

(Col. A)	(Col. B)	(Col. C)	(Col. D)	(Col. E)	(Col. F)	(Col. G)	(Col. H)	(Col. I)
Contract Month	Last Month of Trading	Settlement Prices (\$/mmBtu)			Gas Index	NGrid's Market Gas Price	EUA's Market Gas Price	SOS Delivery Month
3rd Last	2nd Last	Last						
Jan-02	Dec-01	\$2.895	\$2.911	\$2.555	\$2.787	\$3.800	\$2.740	Jan-02
Feb-02	Jan-02	\$2.037	\$1.908	\$2.006	\$1.984	\$3.387	\$2.647	Feb-02
Mar-02	Feb-02	\$2.449	\$2.307	\$2.388	\$2.381	\$3.161	\$2.446	Mar-02
Apr-02	Mar-02	\$3.326	\$3.457	\$3.472	\$3.418	\$2.993	\$2.440	Apr-02
May-02	Apr-02	\$3.419	\$3.295	\$3.270	\$3.328	\$2.855	\$2.695	May-02
Jun-02	May-02	\$3.347	\$3.280	\$3.420	\$3.349	\$2.807	\$2.740	Jun-02
Jul-02	Jun-02	\$3.430	\$3.449	\$3.278	\$3.386	\$2.811	\$2.875	Jul-02
Aug-02	Jul-02	\$2.902	\$2.936	\$2.976	\$2.938	\$2.790	\$2.974	Aug-02
Sep-02	Aug-02	\$3.617	\$3.483	\$3.288	\$3.463	\$2.877	\$3.133	Sep-02
Oct-02	Sep-02	\$3.742	\$3.494	\$3.686	\$3.641	\$3.023	\$3.314	Oct-02
Nov-02	Oct-02	\$4.028	\$4.176	\$4.126	\$4.110	\$3.110	\$3.351	Nov-02
Dec-02	Nov-02	\$4.260	\$4.261	\$4.140	\$4.220	\$3.250	\$3.481	Dec-02
Jan-03	Dec-02	\$5.146	\$4.962	\$4.988	\$5.032	\$3.437	\$3.626	Jan-03
Feb-03	Jan-03	\$5.396	\$5.444	\$5.660	\$5.500	\$3.731	\$3.901	Feb-03
Mar-03	Feb-03	\$9.137	\$9.577	\$9.133	\$9.282	\$4.306	\$4.328	Mar-03
Apr-03	Mar-03	\$5.077	\$5.097	\$5.146	\$5.107	\$4.446	\$5.298	Apr-03
May-03	Apr-03	\$5.474	\$5.477	\$5.123	\$5.358	\$4.615	\$5.542	May-03
Jun-03	May-03	\$6.119	\$5.900	\$5.945	\$5.988	\$4.835	\$5.750	Jun-03
Jul-03	Jun-03	\$5.697	\$5.757	\$5.291	\$5.582	\$5.018	\$6.045	Jul-03
Aug-03	Jul-03	\$4.706	\$4.700	\$4.693	\$4.700	\$5.165	\$6.136	Aug-03
Sep-03	Aug-03	\$5.083	\$5.038	\$4.927	\$5.016	\$5.295	\$6.003	Sep-03
Oct-03	Sep-03	\$4.588	\$4.542	\$4.430	\$4.520	\$5.368	\$5.292	Oct-03
Nov-03	Oct-03	\$4.512	\$4.486	\$4.459	\$4.486	\$5.399	\$5.194	Nov-03

Notes:

Col. A - Contract refers to the NYMEX Natural Gas Futures Contract, as approved by the CFTC,
for the purchase and sale of natural gas at Henry Hub.

Col. B - Month that trading for the Contract ends (the month before the delivery month)

Col. C - Settlement price for the third last trading day as reported in the Wall Street Journal. (Jan-99 - Nov-03)

Col. D - Settlement price for the second last trading day as reported in the Wall Street Journal. (Jan-99 - Nov-03)

Col. E - Settlement price for the last trading day as reported in the Wall Street Journal. (Jan-99 - Nov-03)

Col. F - Average value of Col. C, Col. D and Col. E (=AVERAGE(Col. C.,Col. E))

Col. G - Average of the most recent twelve months of values in Col. F (including current SOS delivery month)

Col. H - Average of the most recent six months of values in Col. F (ending month prior to SOS delivery month)

Col. I - month in which SOS was delivered at wholesale.

Massachusetts Electric and Nantucket Electric

DETERMINATION OF MARKET OIL PRICE

(Col. A)		(Col. B)	(Col. C)	(Col. D)	(Col. E)	(Col. F)	(Col. G)	(Col. H)	(Col. I)	(Col. J)	(Col. K)	(Col. L)	(Col. M)	(Col. N)	(Col. O)	(Col. P)	(Col. Q)	(Col. R)	(Col. S)	(Col. T)	(Col. U)	(Col. V)	(Col. W)	(Col. X)	(Col. Y)	(Col. Z)	(Col. AA)	(Col. BB)	(Col. CC)	(Col. DD)	(Col. EE)	(Col. FF)	(Col. GG)	(Col. HH)	(Col. II)	(Col. JJ)	(Col. KK)	(Col. LL)	(Col. MM)	
SOS		Daily low quotation, cargo delivery, 1.0%S, No. 6, residual fuel oil, NY Harbor (\$ / barrel)																																						
Delivery Month	Trading Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Sum of Values	# of Values	Conversion Factor	Oil Index (\$/mmBtu)	NGrid's Market Oil Price	EUA's Market Oil Price		
Jan-02	Jan-02		17.30	16.85	17.25			17.30	17.00	16.50	16.50	16.10				15.65	15.75	15.75	15.65	15.65				15.65	15.90	15.60	15.15			15.05	14.85	14.40	14.40	334.25	21	6.3	2.53	3.14	2.89	
Feb-02	Feb-02	14.60			14.70	14.45	13.90	14.00	14.25		14.65	14.25	14.90	14.75	14.50					14.25	14.50	14.50	14.60			14.75	15.25	15.75	16.30				278.85	19	6.3	2.33	3.03	2.81		
Mar-02	Mar-02	16.75			16.95	17.45	17.85	18.25	18.25		18.65	18.85	18.90	18.90	18.90				19.15	19.50	19.65	20.40	21.00		21.00	21.15	21.75	22.15				385.45	20	6.3	3.06	2.98	2.66			
Apr-02	Apr-02	22.75	23.75	23.80	22.90	22.90			23.20	23.20	22.40	21.25	20.10			20.70	21.15	21.75	21.75	21.80			21.75	21.65	21.50	21.45	21.35			22.00	22.00	485.10	22	6.3	3.50	2.97	2.64			
May-02	May-02	22.05	21.95	22.25			22.50	23.20	23.90	23.50	23.65			24.60	25.35	24.30	23.80	23.70			23.65	23.00	23.00	22.90	22.90			22.50	22.55	22.35	22.75	510.35	22	6.3	3.68	2.97	2.76			
Jun-02	Jun-02			22.70			22.90	22.30			22.30	22.30						23.30	22.50	22.35	22.25	21.65			22.50	22.50	22.50	22.40				450.85	20	6.3	3.58	3.00	2.95			
Jul-02	Jul-02	22.35	22.05	21.75				21.05	21.40	21.15	21.60	21.85				22.00	22.40	22.40	22.75	23.15			22.60	22.60	22.60	22.95	22.95			23.00	23.50	24.00	470.10	21	6.3	3.55	3.04	3.11		
Aug-02	Aug-02	24.60	24.75		24.75	25.00	24.90	24.90	25.00			25.00	25.40	25.35	25.35	25.40				25.65	25.85	25.85	25.75	25.65		25.75	25.35	25.35	24.50	24.85		554.95	22	6.3	4.00	3.11	3.28			
Sep-02	Sep-02		23.25	23.50	23.75	24.00			24.25	24.60	25.75	26.00	26.50			26.50	25.80	26.10	26.25	26.35			26.50	25.90	25.75	27.40	27.70	27.25	27.05	27.40		27.60		517.00	20	6.3	4.10	3.19	3.56	
Oct-02	Oct-02	27.90	27.80	27.40	27.20		26.90	26.50	26.25	25.55					26.00	26.80	26.80	26.80	27.00			26.50	25.90	25.75	26.25	25.30			24.90	24.60	24.75	25.00	603.40	23	6.3	4.16	3.30	3.74		
Nov-02	Nov-02	24.50			24.40	24.00	23.25	23.25	23.10		23.85	23.65	22.60	22.65	22.50			23.25	23.20	23.75	24.35	24.50						24.25	24.40	24.65		450.10	19	6.3	3.76	3.41	3.85			
Dec-02	Dec-02		24.40	24.40	24.20	24.40	24.35			24.35	24.50	24.65	25.65	25.95			27.25	27.25	27.60	28.20	28.10			28.80	28.95		28.95			28.10	28.05	556.95	21	6.3	4.21	3.54	3.86			
Jan-03	Jan-03		28.55	29.00			28.90	28.30	27.95	28.75	29.25			30.00	30.75	31.75	32.25	32.15				32.15	32.25	32.10	32.75			33.00	33.35	34.50	35.75	35.50	658.95	21	6.3	4.98	3.74	3.97		
Feb-03	Feb-03			33.85	33.00	32.90	32.60	33.15			33.15	33.50	33.25	33.00	33.00				33.25	34.50	34.50	34.75			35.75	37.50	38.25	41.25	41.25				662.40	19	6.3	5.53	4.01	4.20		
Mar-03	Mar-03			40.75	41.00	41.25	43.50	42.70			40.75	38.75	36.00	33.75	30.75			29.75	26.00	25.00	24.75	23.50			24.00	23.00	23.15	24.50	24.50			25.00	662.35	21	6.3	5.01	4.17	4.46		
Apr-03	Apr-03	23.85	23.00	23.00	23.00		22.75	23.00	23.25	22.90	23.25				23.25	24.00	24.50	25.00				25.35	25.10	24.60	24.50	24.10			23.90	23.50	23.50	499.30	21	6.3	3.77	4.20	4.61			
May-03	May-03	23.65	23.65				24.40	24.40	24.40	24.65	24.75			24.75	25.20	25.60	25.35	25.35			25.00	24.85	24.15	23.40	23.50			23.10	23.45	23.90		511.50	21	6.3	3.87	4.21	4.54			
Jun-03	Jun-03		24.20	24.50	24.20	24.50	24.15			24.75	25.15	25.15	23.60	23.00			23.75	24.10	24.25	24.40	25.75			25.75	25.85	26.75	26.85	27.15		27.80		525.60	21	6.3	3.97	4.24	4.56			
Jul-03	Jul-03	27.80	28.25	28.50			28.10	27.90	28.10	28.35	28.90				28.50	28.50	27.50	27.25	27.35			27.35	26.20	26.20	25.90	25.90			26.25	26.35	26.60	26.60	602.35	22	6.3	4.35	4.31	4.52		
Aug-03	Aug-03	26.60			26.75	27.00	27.35	27.85	28.10			28.00	27.75	27.10	27.10	27.75			27.40	27.35	27.25	27.80	27.90		27.90	28.10	28.00	28.00				579.05	21	6.3	4.38	4.34	4.42			
Sep-03	Sep-03		27.50	27.00	26.35	25.25			25.25	25.20	25.25	24.85	24.75		24.20	23.90	23.90	23.90	23.60			23.65	23.85	24.35	24.20	23.90			23.90	24.20		518.95	21	6.3	3.92	4.33	4.22			
Oct-03	Oct-03	24.20	24.50	25.45			25.50	25.50	25.50	26.00	27.00			27.35	27.35	27.20	26.85	25.75			25.50	25.50	25.70	25.65			25.65	25.60	25.25	24.70	25.30	592.50	23	6.3	4.09	4.32	4.04			
Nov-03	Nov-03		25.30	25.30	26.25	26.20	26.45				26.65	26.90	26.70	26.60	26.70			26.15	26.50	26.10	25.45	25.65				24.85	25.10	25.25				468.10	18	6.3	4.13	4.35	4.10			

Notes:
Col. A - month in which SOS was delivered at wholesale.
Col. B - month in which oil prices were quoted and delivered.
Col. C - Col. GG - daily prices as quoted by Platt's MarketScan.
Col. HH - sum of values in Col. C through Col. GG. (Jan-99 - Nov-03)
Col. II - number of non-zero values in Col. C through Col. GG.
Col. JJ - a fixed factor of 6.3 mmBtu per bbl.
Col. KK - Col. HH divided by (Col. II x Col. JJ) (Jan-99 - Nov-03)
Col. LL - Average of the most recent twelve months of values in Col. KK (including current SOS delivery month)
Col. MM - Average of the most recent six months of values in Col. KK (ending month prior to SOS delivery month)

Data Request DTE 1-4

Request:

Please calculate the estimated standard offer service deferrals that would exist as of December 31, 2004 if the Company's standard offer service fuel adjustment was set equal to the value calculated in information request DTE 1-3. Provide estimates using the oil and gas futures price data used in Attachment 2, as well as the futures price data identified in information request DTE 1-2.

Response:

The Company has calculated the estimated deferral balance for standard offer service as of December 31, 2004 based upon the SOSFA calculated in the response to data request DTE 1-3 under two scenarios: (1) using projected fuel oil and natural gas prices as of the end of November 2003 and (2) using projected fuel oil and natural gas prices as of the most recent trading days available.

The estimated deferral balance using the projected fuel oil and natural gas prices as of the end of November 2003 is an under recovery of approximately \$11.4 million. This estimate is based on the trading days of November 21, 2003, November 25, 2003 and November 26, 2003. The Company's estimate also does not assume a Standard Offer Adjustment Factor during 2004 that would recover the balance it had incurred as of September 2003 of approximately \$57.5 million. Please see Attachment 1 to this response for the calculations relating to this estimate.

The estimated deferral balance using the projected fuel oil and natural gas prices reported for the most recent trading days is an under recovery of approximately \$62 million. This estimate is based on the trading days of December 11, 2003, December 12, 2003 and December 15, 2003 as in the response to data request DTE 1-2. As in the estimate above, this estimate does not assume a Standard Offer Adjustment Factor during 2004. Please see Attachment 2 to this response for the calculations relating to this estimate.

In the event that the Department approves a SOSFA with a value other than that proposed by the Company, the Company will propose a Standard Offer Adjustment Factor for 2004 with the intent of recovering the standard offer under recovery incurred as of September 30, 2003. As shown in Attachment 3 to this response, such an adjustment factor would be 0.479¢ per kWh.

Prepared by or under the supervision of: Theresa M. Burns

Attachment 1 to DTE 1-4

Estimate of Standard Offer Deferral as of December 31, 2004

Based on

SOSFA of 1.223¢ from DTE 1-3

And

Oil and Gas Price Forecasts from the Trading Days of
November 21, 25, and 26, 2003

Massachusetts Electric Company
Nantucket Electric Company
Estimated Standard Service Reconciliation
October 2002 - December 2004

Month	Over/(Under) Beginning Balance (a)	Standard Service Revenue (b)	Standard Service Adjustment (c)	Standard Service Expense (d)	Monthly Over/(Under) (e)	Over/(Under) Ending Balance (f)	Balance Subject to Interest (g)	Interest Rate (h)	Interest (i)	Cumulative Interest (j)
Section 1: October 2002 - September 2003 Period										
Oct-02	\$0	\$15,300,347		\$43,527,778	(\$28,227,431)	(\$28,227,431)	(\$14,113,716)	3.83%	(\$44,274)	(\$44,274)
Nov-02	(\$28,271,706)	\$43,898,047	\$339,915	\$46,066,642	(\$1,828,680)	(\$30,100,386)	(\$29,186,046)	3.83%	(\$91,556)	(\$135,830)
Dec-02	(\$30,191,942)	\$50,204,336		\$54,962,313	(\$4,757,977)	(\$34,949,919)	(\$32,570,930)	3.83%	(\$102,174)	(\$238,004)
Jan-03	(\$35,052,093)	\$28,151,616			\$28,151,616	(\$6,900,477)	(\$20,976,285)	2.64%	(\$45,599)	(\$283,603)
		\$137,554,346		\$144,556,733	(\$7,002,387)					
Estimated Cumulative Over/(Under) Collection of Standard Service through December 31, 2002						(\$6,946,075)				
Jan-03	(\$6,900,477)	\$28,151,616		\$58,976,744	(\$30,825,128)	(\$37,725,605)	(\$36,388,849)	2.64%	(\$79,103)	(\$317,107)
Feb-03	(\$37,804,708)	\$54,941,588		\$55,182,064	(\$240,476)	(\$38,045,184)	(\$37,924,946)	2.64%	(\$82,442)	(\$399,549)
Mar-03	(\$38,127,626)	\$50,730,414		\$59,709,649	(\$8,979,235)	(\$47,106,861)	(\$42,617,243)	2.64%	(\$92,642)	(\$492,191)
Apr-03	(\$47,199,503)	\$23,139,900			\$23,139,900	(\$24,059,603)	(\$35,629,553)	2.64%	(\$77,452)	(\$569,644)
		\$156,963,518		\$173,868,457	(\$16,904,939)					
Estimated Cumulative Over/(Under) Collection of Standard Service through March 31, 2003						(\$24,137,055)				
Apr-03	(\$24,059,603)	\$23,139,900		\$56,021,007	(\$32,881,107)	(\$56,940,710)	(\$52,070,107)	2.64%	(\$113,191)	(\$605,383)
May-03	(\$57,053,901)	\$46,217,400		\$54,761,431	(\$8,544,031)	(\$65,597,932)	(\$61,325,917)	2.64%	(\$133,312)	(\$738,694)
Jun-03	(\$65,731,244)	\$52,788,496		\$59,435,697	(\$6,647,201)	(\$72,378,445)	(\$69,054,845)	2.64%	(\$150,113)	(\$888,807)
Jul-03	(\$72,528,558)	\$31,079,610			\$31,079,610	(\$41,448,948)	(\$56,988,753)	2.64%	(\$123,883)	(\$1,012,690)
		\$153,225,406		\$170,218,136	(\$16,992,730)					
Estimated Cumulative Over/(Under) Collection of Standard Service through June 30, 2003						(\$41,572,831)				
Jul-03	(\$41,448,948)	\$31,079,610		\$74,003,668	(\$42,924,058)	(\$84,373,007)	(\$78,450,782)	2.64%	(\$170,538)	(\$1,059,345)
Aug-03	(\$84,543,545)	\$65,298,250		\$76,815,457	(\$11,517,207)	(\$96,060,751)	(\$90,302,148)	2.64%	(\$196,301)	(\$1,255,645)
Sep-03	(\$96,257,052)	\$63,909,057		\$60,692,381	\$3,216,676	(\$93,040,376)	(\$94,648,714)	2.64%	(\$205,749)	(\$1,461,395)
Oct-03	(\$93,246,125)	\$35,896,364			\$35,896,364	(\$57,349,761)	(\$75,297,943)	2.64%	(\$163,684)	(\$1,625,079)
		\$196,183,281		\$211,511,506	(\$15,328,225)					
Cumulative Over/(Under) Collection of Standard Service through September 30, 2003						(\$57,513,445)				

- (a) Prior Month Column (f) + Prior Month Column (i)
(b) Page 3
(c) Nov-02: Adjustment to general ledger to reflect a correction to a customer account who had been billed on Default Service instead of Standard Offer
(d) Page 4
(e) Column (b) + Column (c) - Column (d)
(f) Column (a) + Column (e)
(g) [Column (a) + Column (f)] ÷ 2
(h) Interest Rate on Customer Deposits
(i) Column (g) x [(1 + Column (h)) ^ (1 ÷ 12) - 1]
(j) Column (i) + Prior Month Column (i)

Massachusetts Electric Company
Nantucket Electric Company
Estimated Standard Service Reconciliation
October 2002 - December 2004

Month	Over/(Under) Beginning Balance (a)	Standard Service Revenue (b)	Standard Service Adjustment (c)	Standard Service Expense (d)	Monthly Over/(Under) (e)	Over/(Under) Ending Balance (f)	Balance Subject to Interest (g)	Interest Rate (h)	Interest (i)	Cumulative Interest (j)
Section 2: October 2003 - September 2004 Period										
Oct-03	(\$57,349,761)	\$22,568,417		\$59,353,674	(\$36,785,257)	(\$94,135,018)	(\$93,690,572)	2.64%	(\$202,700)	(\$1,664,095)
Nov-03	(\$94,337,719)	\$55,707,146		\$61,240,864	(\$5,533,718)	(\$99,871,437)	(\$97,104,578)	2.64%	(\$211,088)	(\$1,875,183)
Dec-03	(\$100,082,525)	\$64,015,848		\$66,566,447	(\$2,550,599)	(\$102,633,123)	(\$101,357,824)	2.64%	(\$220,334)	(\$2,095,517)
Jan-04	(\$102,853,457)	\$35,529,284			\$35,529,284	(\$67,324,173)	(\$85,088,815)	2.64%	(\$184,968)	(\$2,280,485)
		\$177,820,696		\$187,160,985	(\$9,340,289)					
Estimated Cumulative Over/(Under) Collection of Standard Service through December 31, 2003						(\$67,509,140)				
Jan-04	(\$67,324,173)	\$35,529,284		\$71,418,229	(\$35,888,945)	(\$103,213,117)	(\$103,033,287)	2.64%	(\$223,976)	(\$2,319,493)
Feb-04	(\$103,437,093)	\$66,749,136		\$65,038,973	\$1,710,163	(\$101,726,930)	(\$102,582,012)	2.64%	(\$222,995)	(\$2,542,488)
Mar-04	(\$101,949,925)	\$64,442,142		\$60,467,378	\$3,974,764	(\$97,975,161)	(\$99,962,543)	2.64%	(\$217,301)	(\$2,759,788)
Apr-04	(\$98,192,461)	\$29,927,937			\$29,927,937	(\$68,264,524)	(\$83,228,493)	2.64%	(\$180,924)	(\$2,940,712)
		\$196,648,500		\$196,924,580	(\$276,080)					
Estimated Cumulative Over/(Under) Collection of Standard Service through March 31, 2004						(\$68,445,448)				
Apr-04	(\$68,264,524)	\$29,927,937		\$56,069,326	(\$26,141,388)	(\$94,405,912)	(\$96,299,187)	2.64%	(\$209,337)	(\$2,969,125)
May-04	(\$94,615,249)	\$56,739,093		\$52,871,538	\$3,867,555	(\$90,747,695)	(\$92,681,472)	2.64%	(\$201,473)	(\$3,170,598)
Jun-04	(\$90,949,167)	\$59,558,519		\$54,905,363	\$4,653,156	(\$86,296,011)	(\$88,622,589)	2.64%	(\$192,650)	(\$3,363,248)
Jul-04	(\$86,488,661)	\$32,572,818			\$32,572,818	(\$53,915,842)	(\$70,202,251)	2.64%	(\$152,607)	(\$3,515,855)
		\$178,798,368		\$163,846,227	\$14,952,141					
Estimated Cumulative Over/(Under) Collection of Standard Service through June 30, 2004						(\$54,068,450)				
Jul-04	(\$53,915,842)	\$32,572,818		\$59,252,341	(\$26,679,523)	(\$80,595,366)	(\$83,542,013)	2.64%	(\$181,605)	(\$3,544,853)
Aug-04	(\$80,776,971)	\$67,709,944		\$61,188,458	\$6,521,486	(\$74,255,485)	(\$77,516,228)	2.64%	(\$168,506)	(\$3,713,360)
Sep-04	(\$74,423,991)	\$66,148,198		\$59,400,517	\$6,747,681	(\$67,676,310)	(\$71,050,151)	2.64%	(\$154,450)	(\$3,867,810)
Oct-04	(\$67,830,760)	\$29,985,384			\$29,985,384	(\$37,845,377)	(\$52,838,068)	2.64%	(\$114,860)	(\$3,982,670)
		\$196,416,344		\$179,841,316	\$16,575,028					
Cumulative Over/(Under) Collection of Standard Service through September 30, 2004						(\$37,960,237)				
Oct-04	(\$37,845,377)	\$29,985,384		\$53,663,546	(\$23,678,163)	(\$61,523,539)	(\$64,677,150)	2.64%	(\$140,597)	(\$4,008,406)
Nov-04	(\$61,664,136)	\$61,949,769		\$55,356,033	\$6,593,736	(\$55,070,399)	(\$58,367,267)	2.64%	(\$126,880)	(\$4,135,286)
Dec-04	(\$55,197,279)	\$67,035,125		\$59,613,871	\$7,421,254	(\$47,776,025)	(\$51,486,652)	2.64%	(\$111,923)	(\$4,247,209)
Jan-05	(\$47,887,948)	\$36,570,078			\$36,570,078	(\$11,317,871)	(\$29,602,909)	2.64%	(\$64,351)	(\$4,311,560)
		\$195,540,356		\$168,633,451	\$26,906,905					
Cumulative Over/(Under) Collection of Standard Service through December 31, 2004						(\$11,382,222)				

- (a) Prior Month Column (f) + Prior Month Column (i)
(b) Page 3
(c)
(d) Page 4
(e) Column (b) + Column (c) - Column (d)
(f) Column (a) + Column (e)
(g) [Column (a) + Column (f)] ÷ 2
(h) Interest Rate on Customer Deposits
(i) Column (g) x [(1 + Column (h)) ^ (1 + 12) - 1]
(j) Column (i) + Prior Month Column (i)

Massachusetts Electric Company
Nantucket Electric Company
Estimated Standard Service Revenue

	Total Company Forecasted kWh Deliveries (a)	Percentage of Load Served by Standard Service (b)	Estimated Standard Service kWhs (c)	Base Standard Service Rate (d)	Estimated SOSFA (e)	Estimated SOSFA (f)	Estimated Standard Service Revenue (g)
Section 1: <u>October 2002 - September 2003 Period</u>							
Oct-02 (actual based on revenue prorate)							\$15,300,347
Nov-02 (actual)							\$43,898,047
Dec-02 (actual)							\$50,204,336
Jan-03 (actual)							\$56,303,232
Feb-03 (actual)							\$54,941,588
Mar-03 (actual)							\$50,730,414
Apr-03 (actual)							\$46,279,800
May-03 (actual)							\$46,217,400
Jun-03 (actual)							\$52,788,496
Jul-03 (actual)							\$62,159,220
Aug-03 (actual)							\$65,298,250
Sep-03 (actual)							\$63,909,057
Oct-03 (actual based on revenue prorate)							<u>\$35,896,364</u>
Total							\$643,926,551
Section 2: <u>October 2003 - September 2004 Period</u>							
Oct-03 (actual based on revenue prorate)							\$22,568,417
Nov-03 (actual)				\$0.04700	\$0.01424		\$55,707,146
Dec-03	1,891,344,036	55.27%	1,045,327,368	\$0.04700	\$0.01424		\$64,015,848
Jan-04	2,065,855,670	55.27%	1,141,778,243	\$0.05100	\$0.01223	\$0.00000	\$71,058,569
Feb-04	1,910,032,155	55.27%	1,055,656,109	\$0.05100	\$0.01223	\$0.00000	\$66,749,136
Mar-04	1,844,017,346	55.27%	1,019,170,369	\$0.05100	\$0.01223	\$0.00000	\$64,442,142
Apr-04	1,712,780,906	55.27%	946,637,271	\$0.05100	\$0.01223	\$0.00000	\$59,855,875
May-04	1,623,593,939	55.27%	897,344,506	\$0.05100	\$0.01223	\$0.00000	\$56,739,093
Jun-04	1,704,272,054	55.27%	941,934,512	\$0.05100	\$0.01223	\$0.00000	\$59,558,519
Jul-04	1,864,147,878	55.27%	1,030,296,318	\$0.05100	\$0.01223	\$0.00000	\$65,145,636
Aug-04	1,937,525,769	55.27%	1,070,851,561	\$0.05100	\$0.01223	\$0.00000	\$67,709,944
Sep-04	1,892,836,275	55.27%	1,046,152,114	\$0.05100	\$0.01223	\$0.00000	\$66,148,198
Oct-04	858,034,292	55.27%	474,227,169	\$0.05100	\$0.01223	\$0.00000	<u>\$29,985,384</u>
Total							\$749,683,908
Oct-04	858,034,292	55.27%	474,227,169	\$0.05100	\$0.01223	\$0.00000	\$29,985,384
Nov-04	1,772,697,880	55.27%	979,752,797	\$0.05100	\$0.01223	\$0.00000	\$61,949,769
Dec-04	1,918,215,763	55.27%	1,060,179,109	\$0.05100	\$0.01223	\$0.00000	\$67,035,125
Jan-05	1,046,455,859	55.27%	578,365,928	\$0.05100	\$0.01223	\$0.00000	\$36,570,078

- (a) Per Company forecast
- (b) Percentage of kWh deliveries attributable to standard offer per November 2003 DOER Form 110, Mass. Electric and Nantucket Electric.
- (c) Column (a) x Column (b)
- (d) Page 5
- (e) Hypothetical SOSFA per DTE formula
- (f) The Company did not proposed a Standard Offer Adjustment Factor for 2004
- (g) Column (c) x Column (d) + Column (c) x Column (e), using a 50% prorate to capture rate changes

Massachusetts Electric Company
Nantucket Electric Company
Estimated Standard Service Expense

	Total Company Forecasted kWh Deliveries (a)	Percentage of Load Served by Standard Service (b)	Estimated Standard Service kWhs (c)	Base Standard Service Cost (d)	Estimated Fuel Index Cost (e)	Estimated Standard Service Expense (f)
Section 1: October 2002 - September 2003 Period						
Oct-02 (actual)						\$43,527,778
Nov-02 (actual)						\$46,066,642
Dec-02 (actual)						\$54,962,313
Jan-03 (actual)						\$58,976,744
Feb-03 (actual)						\$55,182,064
Mar-03 (actual)						\$59,709,649
Apr-03 (actual)						\$56,021,007
May-03 (actual)						\$54,761,431
Jun-03 (actual)						\$59,435,697
Jul-03 (actual)						\$74,003,668
Aug-03 (actual)						\$76,815,457
Sep-03 (actual)						<u>\$60,692,381</u>
Total						\$700,154,832

Section 2: October 2003 - September 2004 Period

Oct-03 (actual)						\$59,353,674
Nov-03	1,747,437,972	55.27%	965,791,893	\$0.04700	\$0.01641	\$61,240,864
Dec-03	1,891,344,036	55.27%	1,045,327,368	\$0.04700	\$0.01668	\$66,566,447
Jan-04	2,065,855,670	55.27%	1,141,778,243	\$0.05100	\$0.01155	\$71,418,229
Feb-04	1,910,032,155	55.27%	1,055,656,109	\$0.05100	\$0.01061	\$65,038,973
Mar-04	1,844,017,346	55.27%	1,019,170,369	\$0.05100	\$0.00833	\$60,467,378
Apr-04	1,712,780,906	55.27%	946,637,271	\$0.05100	\$0.00823	\$56,069,326
May-04	1,623,593,939	55.27%	897,344,506	\$0.05100	\$0.00792	\$52,871,538
Jun-04	1,704,272,054	55.27%	941,934,512	\$0.05100	\$0.00729	\$54,905,363
Jul-04	1,864,147,878	55.27%	1,030,296,318	\$0.05100	\$0.00651	\$59,252,341
Aug-04	1,937,525,769	55.27%	1,070,851,561	\$0.05100	\$0.00614	\$61,188,458
Sep-04	1,892,836,275	55.27%	1,046,152,114	\$0.05100	\$0.00578	<u>\$59,400,517</u>
Total						\$727,773,108
Oct-04	1,716,068,583	55.27%	948,454,338	\$0.05100	\$0.00558	\$53,663,546
Nov-04	1,772,697,880	55.27%	979,752,797	\$0.05100	\$0.00550	\$55,356,033
Dec-04	1,918,215,763	55.27%	1,060,179,109	\$0.05100	\$0.00523	\$59,613,871

- (a) Per Company forecast
- (b) Percentage of kWh deliveries attributable to standard offer per November 2003 DOER Form 110, Mass. Electric and Nantucket Electric.
- (c) Column (a) x Column (b)
- (d) Fixed standard offer price
- (e) Page 6
- (f) Column (c) x [Column (d) + Column (e)]

17-Dec-03

Massachusetts Electric Company

Nantucket Electric Company

Docket No. D.T.E. 03-123

DTE 1-4, Attachment 1

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Massachusetts Electric Company
Nantucket Electric Company
Estimated Weighted Average Fuel Index Payment Per kWh

<u>Estimated Fuel Index Payments</u>			<u>Percentage of kWh Deliveries</u>		Estimated
Former NEES <u>Contracts</u> (a)	Former EUA <u>Contracts</u> (b)		Former Mass. <u>Electric</u> (c)	Former Eastern <u>Edison</u> (d)	Weighted Avg. Fuel <u>Index</u> (e)
<u>October 2003 - September 2004 Period</u>					
Nov-03	\$0.01683	\$0.01401	85.12%	14.88%	\$0.01641
Dec-03	\$0.01726	\$0.01339	85.12%	14.88%	\$0.01668
Jan-04	\$0.01217	\$0.00803	85.12%	14.88%	\$0.01155
Feb-04	\$0.01120	\$0.00724	85.12%	14.88%	\$0.01061
Mar-04	\$0.00852	\$0.00730	85.12%	14.88%	\$0.00833
Apr-04	\$0.00840	\$0.00730	85.12%	14.88%	\$0.00823
May-04	\$0.00803	\$0.00730	85.12%	14.88%	\$0.00792
Jun-04	\$0.00730	\$0.00724	85.12%	14.88%	\$0.00729
Jul-04	\$0.00651	\$0.00651	85.12%	14.88%	\$0.00651
Aug-04	\$0.00621	\$0.00578	85.12%	14.88%	\$0.00614
Sep-04	\$0.00590	\$0.00511	85.12%	14.88%	\$0.00578
Total					
Oct-04	\$0.00578	\$0.00450	85.12%	14.88%	\$0.00558
Nov-04	\$0.00572	\$0.00426	85.12%	14.88%	\$0.00550
Dec-04	\$0.00542	\$0.00420	85.12%	14.88%	\$0.00523

- (a) Per Company forecast, based on trading days of November 21, 25, 26, 2003
- (b) Per Company forecast, based on trading days of November 21, 25, 26, 2003
- (c) Percentage of kWh deliveries attributable to pre-merger Mass. Electric standard offer per November 2003 revenue reports
- (d) Percentage of kWh deliveries attributable to pre-merger Eastern Edison standard offer per November 2003 revenue reports
- (e) Column (a) x Column (c) + Column (b) x Column (d)

Massachusetts Electric Company
Nantucket Electric Company
Actual and Estimated Standard Service Costs
October 2002 - September 2004

		Fuel Index Payments				
	Base Charges	Former Eastern Edison	Pre-Merger Mass. Electric	Total	Supplier Reallocations	Total
<u>Actual per Invoices (a)</u>						
October 2002	\$42,801,869	\$901,142	\$1,300,688	\$2,201,829	(\$1,475,920)	\$43,527,778
November 2002	\$43,363,310	\$1,039,803	\$2,360,656	\$3,400,459	(\$697,127)	\$46,066,642
December 2002	<u>\$49,171,245</u>	<u>\$1,334,149</u>	<u>\$4,360,112</u>	<u>\$5,694,261</u>	<u>\$96,808</u>	<u>\$54,962,313</u>
2002 Total	\$135,336,424	\$3,275,093	\$8,021,455	\$11,296,549	(\$2,076,239)	\$144,556,733
<u>Actual per Invoices (a)</u>						
January 2003	\$56,199,227	\$623,113	\$1,059,747	\$1,682,859	\$1,094,658	\$58,976,744
February 2003	\$49,372,195	\$4,023,940	\$1,011,298	\$5,035,238	\$774,630	\$55,182,064
March 2003	\$49,487,707	\$1,643,750	\$8,179,924	\$9,823,674	\$398,268	\$59,709,649
April 2003	\$44,728,593	\$2,438,210	\$8,192,605	\$10,630,815	\$661,599	\$56,021,007
May 2003	\$42,913,034	\$2,545,055	\$8,734,319	\$11,279,374	\$569,023	\$54,761,431
June 2003	\$45,329,014	\$3,027,925	\$10,746,300	\$13,774,226	\$332,458	\$59,435,697
July 2003	\$55,745,963	\$4,021,689	\$14,236,017	\$18,257,706		\$74,003,668
August 2003	\$57,000,155	\$4,183,406	\$15,631,895	\$19,815,301		\$76,815,457
September 2003	\$44,868,806	\$2,868,078	\$12,955,497	\$15,823,576		\$60,692,381
October 2003	\$44,240,927	\$1,981,104	\$13,131,642	\$15,112,747		\$59,353,674
<u>Estimate per Page 4 (b)</u>						
November 2003	\$45,392,219			\$15,848,645		\$61,240,864
December 2003	<u>\$49,130,386</u>			<u>\$17,436,061</u>		<u>\$66,566,447</u>
2003 Total	\$584,408,227	\$27,356,272	\$93,879,244	\$154,520,221	\$3,830,636	\$742,759,084
January 2004	\$58,230,690			\$13,187,539		\$71,418,229
February 2004	\$53,838,462			\$11,200,511		\$65,038,973
March 2004	\$51,977,689			\$8,489,689		\$60,467,378
April 2004	\$48,278,501			\$7,790,825		\$56,069,326
May 2004	\$45,764,570			\$7,106,968		\$52,871,538
June 2004	\$48,038,660			\$6,866,703		\$54,905,363
July 2004	\$52,545,112			\$6,707,229		\$59,252,341
August 2004	\$54,613,430			\$6,575,029		\$61,188,458
September 2004	\$53,353,758			\$6,046,759		\$59,400,517
October 2004	\$48,371,171			\$5,292,375		\$53,663,546
November 2004	\$49,967,393			\$5,388,640		\$55,356,033
December 2004	<u>\$54,069,135</u>			<u>\$5,544,737</u>		<u>\$59,613,871</u>
2004 Total	\$619,048,570	\$0	\$0	\$90,197,004		\$709,245,574

(a) Per invoices received from standard offer suppliers for service supplied in applicable month.

(b) Per Page 4 of analysis:

Base Charges = Column (c) x Column (d)

Fuel Index Payments = Column (c) x Column (e)

Attachment 2 to DTE 1-4

Estimate of Standard Offer Deferral as of December 31, 2004

Based on

SOSFA of 1.223¢ from DTE 1-3

And

Oil and Gas Price Forecasts from the Trading Days of
December 11, 12, and 15, 2003

Massachusetts Electric Company
Nantucket Electric Company
Estimated Standard Service Reconciliation
October 2002 - December 2004

Month	Over/(Under) Beginning Balance (a)	Standard Service Revenue (b)	Standard Service Adjustment (c)	Standard Service Expense (d)	Monthly Over/(Under) (e)	Over/(Under) Ending Balance (f)	Balance Subject to Interest (g)	Interest Rate (h)	Interest (i)	Cumulative Interest (j)
Section 1: October 2002 - September 2003 Period										
Oct-02	\$0	\$15,300,347		\$43,527,778	(\$28,227,431)	(\$28,227,431)	(\$14,113,716)	3.83%	(\$44,274)	(\$44,274)
Nov-02	(\$28,271,706)	\$43,898,047	\$339,915	\$46,066,642	(\$1,828,680)	(\$30,100,386)	(\$29,186,046)	3.83%	(\$91,556)	(\$135,830)
Dec-02	(\$30,191,942)	\$50,204,336		\$54,962,313	(\$4,757,977)	(\$34,949,919)	(\$32,570,930)	3.83%	(\$102,174)	(\$238,004)
Jan-03	(\$35,052,093)	\$28,151,616			\$28,151,616	(\$6,900,477)	(\$20,976,285)	2.64%	(\$45,599)	(\$283,603)
		\$137,554,346		\$144,556,733	(\$7,002,387)					
Estimated Cumulative Over/(Under) Collection of Standard Service through December 31, 2002						(\$6,946,075)				
Jan-03	(\$6,900,477)	\$28,151,616		\$58,976,744	(\$30,825,128)	(\$37,725,605)	(\$36,388,849)	2.64%	(\$79,103)	(\$317,107)
Feb-03	(\$37,804,708)	\$54,941,588		\$55,182,064	(\$240,476)	(\$38,045,184)	(\$37,924,946)	2.64%	(\$82,442)	(\$399,549)
Mar-03	(\$38,127,626)	\$50,730,414		\$59,709,649	(\$8,979,235)	(\$47,106,861)	(\$42,617,243)	2.64%	(\$92,642)	(\$492,191)
Apr-03	(\$47,199,503)	\$23,139,900			\$23,139,900	(\$24,059,603)	(\$35,629,553)	2.64%	(\$77,452)	(\$569,644)
		\$156,963,518		\$173,868,457	(\$16,904,939)					
Estimated Cumulative Over/(Under) Collection of Standard Service through March 31, 2003						(\$24,137,055)				
Apr-03	(\$24,059,603)	\$23,139,900		\$56,021,007	(\$32,881,107)	(\$56,940,710)	(\$52,070,107)	2.64%	(\$113,191)	(\$605,383)
May-03	(\$57,053,901)	\$46,217,400		\$54,761,431	(\$8,544,031)	(\$65,597,932)	(\$61,325,917)	2.64%	(\$133,312)	(\$738,694)
Jun-03	(\$65,731,244)	\$52,788,496		\$59,435,697	(\$6,647,201)	(\$72,378,445)	(\$69,054,845)	2.64%	(\$150,113)	(\$888,807)
Jul-03	(\$72,528,558)	\$31,079,610			\$31,079,610	(\$41,448,948)	(\$56,988,753)	2.64%	(\$123,883)	(\$1,012,690)
		\$153,225,406		\$170,218,136	(\$16,992,730)					
Estimated Cumulative Over/(Under) Collection of Standard Service through June 30, 2003						(\$41,572,831)				
Jul-03	(\$41,448,948)	\$31,079,610		\$74,003,668	(\$42,924,058)	(\$84,373,007)	(\$78,450,782)	2.64%	(\$170,538)	(\$1,059,345)
Aug-03	(\$84,543,545)	\$65,298,250		\$76,815,457	(\$11,517,207)	(\$96,060,751)	(\$90,302,148)	2.64%	(\$196,301)	(\$1,255,645)
Sep-03	(\$96,257,052)	\$63,909,057		\$60,692,381	\$3,216,676	(\$93,040,376)	(\$94,648,714)	2.64%	(\$205,749)	(\$1,461,395)
Oct-03	(\$93,246,125)	\$35,896,364			\$35,896,364	(\$57,349,761)	(\$75,297,943)	2.64%	(\$163,684)	(\$1,625,079)
		\$196,183,281		\$211,511,506	(\$15,328,225)					
Cumulative Over/(Under) Collection of Standard Service through September 30, 2003						(\$57,513,445)				

- (a) Prior Month Column (f) + Prior Month Column (i)
(b) Page 3
(c) Nov-02: Adjustment to general ledger to reflect a correction to a customer account who had been billed on Default Service instead of Standard Offer
(d) Page 4
(e) Column (b) + Column (c) - Column (d)
(f) Column (a) + Column (e)
(g) [Column (a) + Column (f)] ÷ 2
(h) Interest Rate on Customer Deposits
(i) Column (g) x [(1 + Column (h)) ^ (1 ÷ 12) - 1]
(j) Column (i) + Prior Month Column (i)

Massachusetts Electric Company
Nantucket Electric Company
Estimated Standard Service Reconciliation
October 2002 - December 2004

Month	Over/(Under) Beginning Balance (a)	Standard Service Revenue (b)	Standard Service Adjustment (c)	Standard Service Expense (d)	Monthly Over/(Under) (e)	Over/(Under) Ending Balance (f)	Balance Subject to Interest (g)	Interest Rate (h)	Interest (i)	Cumulative Interest (j)
Section 2: October 2003 - September 2004 Period										
Oct-03	(\$57,349,761)	\$22,568,417		\$59,353,674	(\$36,785,257)	(\$94,135,018)	(\$93,690,572)	2.64%	(\$202,700)	(\$1,664,095)
Nov-03	(\$94,337,719)	\$55,707,146		\$61,240,864	(\$5,533,718)	(\$99,871,437)	(\$97,104,578)	2.64%	(\$211,088)	(\$1,875,183)
Dec-03	(\$100,082,525)	\$64,015,848		\$66,566,447	(\$2,550,599)	(\$102,633,123)	(\$101,357,824)	2.64%	(\$220,334)	(\$2,095,517)
Jan-04	(\$102,853,457)	\$35,529,284			\$35,529,284	(\$67,324,173)	(\$85,088,815)	2.64%	(\$184,968)	(\$2,280,485)
		\$177,820,696		\$187,160,985	(\$9,340,289)					
Estimated Cumulative Over/(Under) Collection of Standard Service through December 31, 2003						(\$67,509,140)				
Jan-04	(\$67,324,173)	\$35,529,284		\$72,491,501	(\$36,962,216)	(\$104,286,389)	(\$103,569,923)	2.64%	(\$225,142)	(\$2,320,659)
Feb-04	(\$104,511,531)	\$66,749,136		\$67,350,860	(\$601,724)	(\$105,113,255)	(\$104,812,393)	2.64%	(\$227,843)	(\$2,548,503)
Mar-04	(\$105,341,098)	\$64,442,142		\$63,820,449	\$621,694	(\$104,719,405)	(\$105,030,252)	2.64%	(\$228,317)	(\$2,776,819)
Apr-04	(\$104,947,721)	\$29,927,937			\$29,927,937	(\$75,019,784)	(\$89,983,753)	2.64%	(\$195,609)	(\$2,972,428)
		\$196,648,500		\$203,662,809	(\$7,014,309)					
Estimated Cumulative Over/(Under) Collection of Standard Service through March 31, 2004						(\$75,215,393)				
Apr-04	(\$75,019,784)	\$29,927,937		\$59,789,610	(\$29,861,673)	(\$104,881,457)	(\$104,914,589)	2.64%	(\$228,065)	(\$3,004,885)
May-04	(\$105,109,522)	\$56,739,093		\$56,801,907	(\$62,814)	(\$105,172,336)	(\$105,140,929)	2.64%	(\$228,558)	(\$3,233,442)
Jun-04	(\$105,400,894)	\$59,558,519		\$59,304,197	\$254,322	(\$105,146,572)	(\$105,273,733)	2.64%	(\$228,846)	(\$3,462,289)
Jul-04	(\$105,375,418)	\$32,572,818			\$32,572,818	(\$72,802,600)	(\$89,089,009)	2.64%	(\$193,664)	(\$3,655,952)
		\$178,798,368		\$175,895,714	\$2,902,654					
Estimated Cumulative Over/(Under) Collection of Standard Service through June 30, 2004						(\$72,996,263)				
Jul-04	(\$72,802,600)	\$32,572,818		\$64,424,429	(\$31,851,611)	(\$104,654,210)	(\$105,014,814)	2.64%	(\$228,283)	(\$3,690,572)
Aug-04	(\$104,882,494)	\$67,709,944		\$66,532,007	\$1,177,937	(\$103,704,557)	(\$104,293,525)	2.64%	(\$226,715)	(\$3,917,287)
Sep-04	(\$103,931,273)	\$66,148,198		\$64,641,739	\$1,506,459	(\$102,424,813)	(\$103,178,043)	2.64%	(\$224,291)	(\$4,141,578)
Oct-04	(\$102,649,104)	\$29,985,384			\$29,985,384	(\$72,663,720)	(\$87,656,412)	2.64%	(\$190,549)	(\$4,332,127)
		\$196,416,344		\$195,598,175	\$818,169					
Cumulative Over/(Under) Collection of Standard Service through September 30, 2004						(\$72,854,269)				
Oct-04	(\$72,663,720)	\$29,985,384		\$58,424,787	(\$28,439,403)	(\$101,103,123)	(\$101,876,114)	2.64%	(\$221,460)	(\$4,363,038)
Nov-04	(\$101,324,584)	\$61,949,769		\$60,401,760	\$1,548,009	(\$99,776,574)	(\$100,550,579)	2.64%	(\$218,579)	(\$4,581,617)
Dec-04	(\$99,995,153)	\$67,035,125		\$65,222,219	\$1,812,906	(\$98,182,247)	(\$99,088,700)	2.64%	(\$215,401)	(\$4,797,018)
Jan-05	(\$98,397,648)	\$36,570,078			\$36,570,078	(\$61,827,570)	(\$80,112,609)	2.64%	(\$174,150)	(\$4,971,169)
		\$195,540,356		\$184,048,766	\$11,491,590					
Cumulative Over/(Under) Collection of Standard Service through December 31, 2004						(\$62,001,721)				

- (a) Prior Month Column (f) + Prior Month Column (i)
(b) Page 3
(c)
(d) Page 4
(e) Column (b) + Column (c) - Column (d)
(f) Column (a) + Column (e)
(g) [Column (a) + Column (f)] ÷ 2
(h) Interest Rate on Customer Deposits
(i) Column (g) x [(1 + Column (h)) ^ (1 + 12) - 1]
(j) Column (i) + Prior Month Column (i)

Massachusetts Electric Company
Nantucket Electric Company
Estimated Standard Service Revenue

	Total Company Forecasted kWh Deliveries (a)	Percentage of Load Served by Standard Service (b)	Estimated Standard Service kWhs (c)	Base Standard Service Rate (d)	Estimated SOSFA (e)	Estimated SOSFA (f)	Estimated Standard Service Revenue (g)
Section 1: <u>October 2002 - September 2003 Period</u>							
Oct-02 (actual based on revenue prorate)							\$15,300,347
Nov-02 (actual)							\$43,898,047
Dec-02 (actual)							\$50,204,336
Jan-03 (actual)							\$56,303,232
Feb-03 (actual)							\$54,941,588
Mar-03 (actual)							\$50,730,414
Apr-03 (actual)							\$46,279,800
May-03 (actual)							\$46,217,400
Jun-03 (actual)							\$52,788,496
Jul-03 (actual)							\$62,159,220
Aug-03 (actual)							\$65,298,250
Sep-03 (actual)							\$63,909,057
Oct-03 (actual based on revenue prorate)							<u>\$35,896,364</u>
Total							\$643,926,551
Section 2: <u>October 2003 - September 2004 Period</u>							
Oct-03 (actual based on revenue prorate)							\$22,568,417
Nov-03 (actual)				\$0.04700	\$0.01424		\$55,707,146
Dec-03	1,891,344,036	55.27%	1,045,327,368	\$0.04700	\$0.01424		\$64,015,848
Jan-04	2,065,855,670	55.27%	1,141,778,243	\$0.05100	\$0.01223	\$0.00000	\$71,058,569
Feb-04	1,910,032,155	55.27%	1,055,656,109	\$0.05100	\$0.01223	\$0.00000	\$66,749,136
Mar-04	1,844,017,346	55.27%	1,019,170,369	\$0.05100	\$0.01223	\$0.00000	\$64,442,142
Apr-04	1,712,780,906	55.27%	946,637,271	\$0.05100	\$0.01223	\$0.00000	\$59,855,875
May-04	1,623,593,939	55.27%	897,344,506	\$0.05100	\$0.01223	\$0.00000	\$56,739,093
Jun-04	1,704,272,054	55.27%	941,934,512	\$0.05100	\$0.01223	\$0.00000	\$59,558,519
Jul-04	1,864,147,878	55.27%	1,030,296,318	\$0.05100	\$0.01223	\$0.00000	\$65,145,636
Aug-04	1,937,525,769	55.27%	1,070,851,561	\$0.05100	\$0.01223	\$0.00000	\$67,709,944
Sep-04	1,892,836,275	55.27%	1,046,152,114	\$0.05100	\$0.01223	\$0.00000	\$66,148,198
Oct-04	858,034,292	55.27%	474,227,169	\$0.05100	\$0.01223	\$0.00000	<u>\$29,985,384</u>
Total							\$749,683,908
Oct-04	858,034,292	55.27%	474,227,169	\$0.05100	\$0.01223	\$0.00000	\$29,985,384
Nov-04	1,772,697,880	55.27%	979,752,797	\$0.05100	\$0.01223	\$0.00000	\$61,949,769
Dec-04	1,918,215,763	55.27%	1,060,179,109	\$0.05100	\$0.01223	\$0.00000	\$67,035,125
Jan-05	1,046,455,859	55.27%	578,365,928	\$0.05100	\$0.01223	\$0.00000	\$36,570,078

- (a) Per Company forecast
- (b) Percentage of kWh deliveries attributable to standard offer per November 2003 DOER Form 110, Mass. Electric and Nantucket Electric.
- (c) Column (a) x Column (b)
- (d) Page 5
- (e) Hypothetical SOSFA per DTE formula
- (f) The Company did not proposed a Standard Offer Adjustment Factor for 2004
- (g) Column (c) x Column (d) + Column (c) x Column (e), using a 50% prorate to capture rate changes

Massachusetts Electric Company
Nantucket Electric Company
Estimated Standard Service Expense

	Total Company Forecasted kWh Deliveries (a)	Percentage of Load Served by Standard Service (b)	Estimated Standard Service kWhs (c)	Base Standard Service Cost (d)	Estimated Fuel Index Cost (e)	Estimated Standard Service Expense (f)
Section 1: October 2002 - September 2003 Period						
Oct-02 (actual)						\$43,527,778
Nov-02 (actual)						\$46,066,642
Dec-02 (actual)						\$54,962,313
Jan-03 (actual)						\$58,976,744
Feb-03 (actual)						\$55,182,064
Mar-03 (actual)						\$59,709,649
Apr-03 (actual)						\$56,021,007
May-03 (actual)						\$54,761,431
Jun-03 (actual)						\$59,435,697
Jul-03 (actual)						\$74,003,668
Aug-03 (actual)						\$76,815,457
Sep-03 (actual)						\$60,692,381
Total						\$700,154,832

Section 2: October 2003 - September 2004 Period

Oct-03 (actual)						\$59,353,674
Nov-03	1,747,437,972	55.27%	965,791,893	\$0.04700	\$0.01641	\$61,240,864
Dec-03	1,891,344,036	55.27%	1,045,327,368	\$0.04700	\$0.01668	\$66,566,447
Jan-04	2,065,855,670	55.27%	1,141,778,243	\$0.05100	\$0.01249	\$72,491,501
Feb-04	1,910,032,155	55.27%	1,055,656,109	\$0.05100	\$0.01280	\$67,350,860
Mar-04	1,844,017,346	55.27%	1,019,170,369	\$0.05100	\$0.01162	\$63,820,449
Apr-04	1,712,780,906	55.27%	946,637,271	\$0.05100	\$0.01216	\$59,789,610
May-04	1,623,593,939	55.27%	897,344,506	\$0.05100	\$0.01230	\$56,801,907
Jun-04	1,704,272,054	55.27%	941,934,512	\$0.05100	\$0.01196	\$59,304,197
Jul-04	1,864,147,878	55.27%	1,030,296,318	\$0.05100	\$0.01153	\$64,424,429
Aug-04	1,937,525,769	55.27%	1,070,851,561	\$0.05100	\$0.01113	\$66,532,007
Sep-04	1,892,836,275	55.27%	1,046,152,114	\$0.05100	\$0.01079	\$64,641,739
Total						\$762,317,683
Oct-04	1,716,068,583	55.27%	948,454,338	\$0.05100	\$0.01060	\$58,424,787
Nov-04	1,772,697,880	55.27%	979,752,797	\$0.05100	\$0.01065	\$60,401,760
Dec-04	1,918,215,763	55.27%	1,060,179,109	\$0.05100	\$0.01052	\$65,222,219

- (a) Per Company forecast
- (b) Percentage of kWh deliveries attributable to standard offer per November 2003 DOER Form 110, Mass. Electric and Nantucket Electric.
- (c) Column (a) x Column (b)
- (d) Fixed standard offer price
- (e) Page 6
- (f) Column (c) x [Column (d) + Column (e)]

17-Dec-03

Massachusetts Electric Company

Nantucket Electric Company

Docket No. D.T.E. 03-123

DTE 1-4, Attachment 2

Page 5 of 6

Massachusetts Electric Company
Nantucket Electric Company
Estimated Weighted Average Fuel Index Payment Per kWh

<u>Estimated Fuel Index Payments</u>			<u>Percentage of kWh Deliveries</u>		Estimated
Former NEES <u>Contracts</u> (a)	Former EUA <u>Contracts</u> (b)		Former Mass. <u>Electric</u> (c)	Former Eastern <u>Edison</u> (d)	Weighted Avg. Fuel <u>Index</u> (e)
<u>October 2003 - September 2004 Period</u>					
Nov-03	\$0.01683	\$0.01401	85.12%	14.88%	\$0.01641
Dec-03	\$0.01726	\$0.01339	85.12%	14.88%	\$0.01668
Jan-04	\$0.01327	\$0.00803	85.12%	14.88%	\$0.01249
Feb-04	\$0.01339	\$0.00943	85.12%	14.88%	\$0.01280
Mar-04	\$0.01162	\$0.01162	85.12%	14.88%	\$0.01162
Apr-04	\$0.01193	\$0.01351	85.12%	14.88%	\$0.01216
May-04	\$0.01193	\$0.01442	85.12%	14.88%	\$0.01230
Jun-04	\$0.01144	\$0.01497	85.12%	14.88%	\$0.01196
Jul-04	\$0.01095	\$0.01485	85.12%	14.88%	\$0.01153
Aug-04	\$0.01089	\$0.01254	85.12%	14.88%	\$0.01113
Sep-04	\$0.01089	\$0.01022	85.12%	14.88%	\$0.01079
Total					
Oct-04	\$0.01102	\$0.00822	85.12%	14.88%	\$0.01060
Nov-04	\$0.01120	\$0.00755	85.12%	14.88%	\$0.01065
Dec-04	\$0.01108	\$0.00736	85.12%	14.88%	\$0.01052

- (a) Per Company forecast, based on trading days of December 11, 12, 15, 2003
- (b) Per Company forecast, based on trading days of December 11, 12, 15, 2003
- (c) Percentage of kWh deliveries attributable to pre-merger Mass. Electric standard offer per November 2003 revenue reports
- (d) Percentage of kWh deliveries attributable to pre-merger Eastern Edison standard offer per November 2003 revenue reports
- (e) Column (a) x Column (c) + Column (b) x Column (d)

Massachusetts Electric Company
Nantucket Electric Company
Actual and Estimated Standard Service Costs
October 2002 - September 2004

		Fuel Index Payments				
	Base Charges	Former Eastern Edison	Pre-Merger Mass. Electric	Total	Supplier Reallocations	Total
<u>Actual per Invoices (a)</u>						
October 2002	\$42,801,869	\$901,142	\$1,300,688	\$2,201,829	(\$1,475,920)	\$43,527,778
November 2002	\$43,363,310	\$1,039,803	\$2,360,656	\$3,400,459	(\$697,127)	\$46,066,642
December 2002	<u>\$49,171,245</u>	<u>\$1,334,149</u>	<u>\$4,360,112</u>	<u>\$5,694,261</u>	<u>\$96,808</u>	<u>\$54,962,313</u>
2002 Total	\$135,336,424	\$3,275,093	\$8,021,455	\$11,296,549	(\$2,076,239)	\$144,556,733
<u>Actual per Invoices (a)</u>						
January 2003	\$56,199,227	\$623,113	\$1,059,747	\$1,682,859	\$1,094,658	\$58,976,744
February 2003	\$49,372,195	\$4,023,940	\$1,011,298	\$5,035,238	\$774,630	\$55,182,064
March 2003	\$49,487,707	\$1,643,750	\$8,179,924	\$9,823,674	\$398,268	\$59,709,649
April 2003	\$44,728,593	\$2,438,210	\$8,192,605	\$10,630,815	\$661,599	\$56,021,007
May 2003	\$42,913,034	\$2,545,055	\$8,734,319	\$11,279,374	\$569,023	\$54,761,431
June 2003	\$45,329,014	\$3,027,925	\$10,746,300	\$13,774,226	\$332,458	\$59,435,697
July 2003	\$55,745,963	\$4,021,689	\$14,236,017	\$18,257,706		\$74,003,668
August 2003	\$57,000,155	\$4,183,406	\$15,631,895	\$19,815,301		\$76,815,457
September 2003	\$44,868,806	\$2,868,078	\$12,955,497	\$15,823,576		\$60,692,381
October 2003	\$44,240,927	\$1,981,104	\$13,131,642	\$15,112,747		\$59,353,674
<u>Estimate per Page 4 (b)</u>						
November 2003	\$45,392,219			\$15,848,645		\$61,240,864
December 2003	<u>\$49,130,386</u>			<u>\$17,436,061</u>		<u>\$66,566,447</u>
2003 Total	\$584,408,227	\$27,356,272	\$93,879,244	\$154,520,221	\$3,830,636	\$742,759,084
January 2004	\$58,230,690			\$14,260,810		\$72,491,501
February 2004	\$53,838,462			\$13,512,398		\$67,350,860
March 2004	\$51,977,689			\$11,842,760		\$63,820,449
April 2004	\$48,278,501			\$11,511,109		\$59,789,610
May 2004	\$45,764,570			\$11,037,337		\$56,801,907
June 2004	\$48,038,660			\$11,265,537		\$59,304,197
July 2004	\$52,545,112			\$11,879,317		\$64,424,429
August 2004	\$54,613,430			\$11,918,578		\$66,532,007
September 2004	\$53,353,758			\$11,287,981		\$64,641,739
October 2004	\$48,371,171			\$10,053,616		\$58,424,787
November 2004	\$49,967,393			\$10,434,367		\$60,401,760
December 2004	<u>\$54,069,135</u>			<u>\$11,153,084</u>		<u>\$65,222,219</u>
2004 Total	\$619,048,570	\$0	\$0	\$140,156,895		\$759,205,464

(a) Per invoices received from standard offer suppliers for service supplied in applicable month.

(b) Per Page 4 of analysis:

Base Charges = Column (c) x Column (d)

Fuel Index Payments = Column (c) x Column (e)

Attachment 3 to DTE 1-4

Calculation of 2004 Standard Offer Adjustment Factor

Massachusetts Electric Company
Nantucket Electric Company

Calculation of Standard Service Adjustment Factor

(1)	Undercollection of Standard Offer as of September 30, 2003	\$57,189,307
(4)	Estimated Interest During Recovery Period	<u>\$1,011,001</u>
(5)	Total Undercollection Including Interest	\$58,200,308
(6)	Forecast 2004 kWh Sales (Mass. Electric and Nantucket)	12,138,207,246
(7)	Standard Service Adjustment Factor per kWh	\$0.00479

- (1) Per Mass. Electric Annual Retail Rate Filing, DTE 03-126, Exhibit TMB-2, Mass. Electric Standard Service Reconciliation, Page 1 of 3
- (2) Page 2 of 2, Column (g)
- (3) Line (1) + Line (2)
- (4) Total Company Forecast x percentage of customers (55.27%) on standard offer in November 2003 based on kWh deliveries reflected in DOER Form 110 for November 2003
- (5) Line (3) ÷ Line (4), truncated after 5 decimal places

Massachusetts Electric Company
Nantucket Electric Company

Calculation of Interest on Standard Service Overcollection

	<u>Beginning Overcollection With Interest</u> (a)	<u>Estimated Refund</u> (b)	<u>Ending Overcollection</u> (c)	<u>Balance Subject to Interest</u> (d)	<u>Interest Rate</u> (e)	<u>Interest</u> (f)	<u>Cumulative Interest</u> (g)
November	\$57,189,307		\$57,189,307	\$57,189,307	2.64%	\$125,816	\$125,816
December	\$57,315,123		\$57,315,123	\$57,315,123	2.64%	\$126,093	\$251,910
January 2004	\$57,441,217	(\$4,786,768)	\$52,654,449	\$55,047,833	2.64%	\$121,105	\$373,015
February	\$52,775,554	(\$4,797,778)	\$47,977,776	\$50,376,665	2.64%	\$110,829	\$483,844
March	\$48,088,605	(\$4,808,860)	\$43,279,744	\$45,684,175	2.64%	\$100,505	\$584,349
April	\$43,380,250	(\$4,820,028)	\$38,560,222	\$40,970,236	2.64%	\$90,135	\$674,483
May	\$38,650,356	(\$4,831,295)	\$33,819,062	\$36,234,709	2.64%	\$79,716	\$754,200
June	\$33,898,778	(\$4,842,683)	\$29,056,096	\$31,477,437	2.64%	\$69,250	\$823,450
July	\$29,125,346	(\$4,854,224)	\$24,271,122	\$26,698,234	2.64%	\$58,736	\$882,186
August	\$24,329,858	(\$4,865,972)	\$19,463,886	\$21,896,872	2.64%	\$48,173	\$930,359
September	\$19,512,059	(\$4,878,015)	\$14,634,044	\$17,073,052	2.64%	\$37,561	\$967,920
October	\$14,671,605	(\$4,890,535)	\$9,781,070	\$12,226,338	2.64%	\$26,898	\$994,818
November	\$9,807,968	(\$4,903,984)	\$4,903,984	\$7,355,976	2.64%	\$16,183	\$1,011,001
December	\$4,920,167	(\$4,920,167)	(\$0)	\$2,460,084	2.64%		\$1,011,001
Total Recovery		(\$58,200,308)					

- (a) November 1 per Page 1, Line (3); all other months = prior month Column (c) + prior month Column (f)
- (b) Column (a) ÷ number of remaining months in recovery period
- (c) Column (a) + Column (b)
- (d) Average of Column (a) and Column (c)
- (e) Interest rate on customer deposits
- (f) Column (d) x [Column (e) ÷ 12]
- (g) Prior month Column (g) + Current month Column (f)